SOLSYSTEMS
Let's Make Solar Simple™

Re: **Comments on MA RPS Solar Carve-Out Announcement**
Date: 8/15/2011

Dear Massachusetts Department of Energy Resources,

Sol Systems would like to thank you for the invitation to provide comments on the proposed revisions to the solar ACP Rate Schedule.

We agree, reducing costs associated with risk and uncertainty is paramount in developing a sustainable SREC and solar market in Massachusetts. We think the proposed ACP schedule and its process of implementation go far in addressing some of the major risks currently faced by solar developers in Massachusetts. However, in addition to a fixed ACP schedule, there are a few other program aspects that could be expanded to more effectively mitigate the risks associated with future value of SRECs. We have outlined our suggestions below.

1. Long-term certainty in the solar ACP schedule is fundamental to successful solar project development in states utilizing SRECs as one of the primary incentives. For this reason, Sol Systems thinks the proposed ACP Rate Schedule could provide greater certainty in the future value of SRECs by extending the ACP schedule beyond 2021. Additionally, we think the process for reducing the ACP Schedule through time should be a clear $50 decrease every two years, providing a defined tiered structure in the ACP rate over time. Our proposed ACP Schedule is copied below, adjacent to the new schedule proposed by the DOER.

Compliance Year	ACP Rate per MWh	Average S-ACP 2012-2021
2012	$550	**$ 461.80**
2013	$550	
2014	$523	
2015	$496	
2016	$472	
2017	$448	
2018	$426	
2019	$404	
2020	$384	
2021	$365	
2022 and after	added no later than January 31, 2012 (and annually thereafter) following stakeholder review	

Compliance Year	ACP Rate per MWh	Average S-ACP 2012-2021
2012	$550	**$ 470.00**
2013	$550	
2014	$550	
2015	$500	
2016	$500	
2017	$450	
2018	$450	
2019	$400	
2020	$400	
2021	$350	
2022	$350	
2023	$300	
2024	$300	
2025	$250	
2026	$250	

2. The lack of defined long-term cumulative compliance obligations for SRECs creates demand uncertainty, which can weaken a developer's ability to secure financing through the sale of a project's SREC stream. Sol Systems proposes the DOER develop an alternative mechanism to define long-term SREC demand under the RPS. The formula currently utilized does not define a set requirement for SRECs into the future. In light of the proposed adjustments to the ACP, specifically the modifications to bring greater transparency to the future value of SRECs, we believe a set demand will work in conjunction to greatly reduce some of the greatest risks faced by developers and project investors.

3. Sol Systems proposes the solar ACP Rate schedule, and the definition of eligible solar technologies, be expanded to include solar thermal technologies that are either: (1) SRCC OG-300 certified systems, or (2) utilize SRCC OG-100 components and have an OIML meter installed at the facility to measure gross thermal generation. Solar thermal technologies can result in the direct displacement of electricity demand in a cost-effective manner. Several other SREC markets (DC and Maryland specifically) include solar thermal technologies for participation in SREC markets, and we propose the DOER consider its inclusion in Massachusetts.

As always, we'd be more than happy to discuss further with you at your convenience.

Thank you for your time,
Sol Systems, LLC